

INDIA RICE

Established 1862.

107, 109 & 111 FREMONT

San Francisco

THE INDIA RICE MILLS, AFTER 22 YEARS OF
experience, have been enlarged and improved
to produce the finest quality of rice, and to
enable us to supply the market at the lowest
possible price.

Is enabled to Largely Reduce the Rates for the Mill

AMONG THE MANY ADVANTAGES OF SHIPPING RICE
AND HAVING IT CLEANED AT THE MILL IS
THE FOLLOWING MAY BE SAID:

1st. Superiority of Work at the San Francisco
Mills, and the fact that the rice is cleaned
and sorted by hand, and is of the highest
quality.

2nd. The fact that the rice is cleaned and
sorted by hand, and is of the highest
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wards to informers and other criminal expenses from
the appropriate fund, should be strictly maintained.
The system of reports rendered by the several sheriffs
appeared to be good and carefully observed.

The accounts of the Oahu Prison showed an amount
of uncollected bills for labor of prisoners, due March 31,
1884, of \$3,465 48, of which \$2,440 10 was for labor at
the Palace, \$116 58 on Coronation accounts, and the
balance on sundry accounts. The Marshal stated that
he had been unable to collect these amounts, and by the
advice of the Minister of Interior, had placed them in
the hands of the Attorney General, but nothing had been
done with them.

OFFICE OF GOVERNOR OF OAHU.

No accounts appear to be kept in this office, except
the expenditure for the military, which accounts came
under the Department of Foreign Affairs. A check book
was found, from which drafts requiring the signature of
the Governor of Oahu were drawn. The Committee ob-
served that in more than one instance part payment in
advance, on account of commissions, had been made to
assessors before the tax collectors had rendered their re-
ports. This seemed to the Committee to be improper.

THE BOARD OF EDUCATION.

The accounts of the Board of Education are kept in a
clear and comprehensive manner; the balances were
correct, and the vouchers in order. An investigation of
the expenditures for the period showed that one of the
statements of the President of the Board, in his official
report, was misleading. The statement is, "Thus it will
be seen that there remains an unexpended balance on
account of the Bureau of Education of \$45,765 02; and
of the large sum of \$75,000 voted by the last Assembly
for the support of English and Hawaiian schools, only
\$41,537 83 has been expended."

The fact is that \$68,956 76 was expended by the
Board for that object during the period. The amount of
\$41,537 83 only was taken from the appropriation as
stated, but the annual step was taken of drawing upon
the cash (general funds) of the Board, and from the
school tax of the district of Honolulu to meet the amount
required. The whole amount was made up as follows:

Drawn upon Appropriation	\$41,537 83
Drawn from Department funds	12,256 18
Drawn from Honolulu School Tax	15,163 80
Total	\$68,956 76

The occasion for drawing from these unusual sources
appearing to be the fact that the Treasury was so de-
pleted that this course became necessary.

The Committee noted that in June, 1883, soon after
the appointment of the present Board, the salaries of a
number of the teachers in the Honolulu English Schools
were increased, the total increase amounting to \$3,000
per annum. Favoritism seems to have been shown in
the pay of teachers. Mrs. Hendry, a newly appointed
assistant teacher, receiving at the rate of \$1,500 per
year, while the highest salary paid to any other assistant
teacher is \$1,000; the other salaries being from \$800
to \$1,000. Many of these assistant teachers have been
long in the service of the Board, and are capable and ef-
ficient.

The Committee would also call attention to the
amount of the bonds taken by the Board from school
agents. In the case of the agent for Waiuku, a bond
for \$3,000 was taken, while by his accounts of
March 31, 1884, he held in hand a balance of \$9,100 49
in cash. The amount of the bonds required should be
more commensurate with the funds in the hands of the
agents.

The Committee deem it their duty to condemn the
course pursued by the Board in summarily dismissing
loyal teachers and agents for political reasons.

The Committee recommend that \$75,000 be again ap-
propriated for the support of English and Hawaiian
schools. General and liberal education is one of the
greatest safeguards of the nation.

BOARD OF GENEALOGY.

The appropriation of \$10,000 for the Relief of the
Board of Genealogy has all been drawn from the Treas-
ury upon warrants by the Minister of the Interior, and
the books of the department show the following persons to
have been the recipients:

Her Ex. the Governor of Hawaii	\$ 6,144 37
J. A. Naboku	800 00
Kahumohi	500 00
J. H. Kaneohe	513 00
J. H. Kaneohe	218 00
G. B. Kalaianaka	199 00
Koukalo	166 00
P. C. Advertiser and P. C. Advertiser	48 00
Sundry Carpenters	368 88
Sundry Petty Expenses	125 35
Total	\$10,000 00

FINANCE DEPARTMENT.

The Treasury cash was counted on the 15th of May,
and the money then on hand was found to agree with
the balance shown by the cash book, say \$191,547 63.

Certificates of Deposit to the amount of \$884,000 have
been issued and are now in circulation. The coin deposit
to secure the same was counted and found to consist of
the following denominations:

U. S. Gold Coin	\$289,000
U. S. Trade Dollars	27,000
U. S. Standard Dollars	18,500
Mexican Dollars	140,000
Five Franc Pieces	54,500
Mixed Coin, &c., Mexican and French	48,000
Hawaiian Dollars	133,000
Hawaiian Half Dollars	72,000
Hawaiian Quarter Dollars	102,000
Total	\$884,000

Of the United States Gold coin about \$120,000 is the
property of private individuals and is likely to be with-
drawn at any time and replaced with silver coin. There
was also found on deposit for safe keeping a sum of
\$172,000 in Hawaiian silver, which was at the time the
property of Messrs. W. G. Irwin & Co. Of this sum
\$28,000 was in Hawaiian ten cent pieces, a coin that
at present has no legal authority for its existence.

REVENUE STAMPS.

The sale of adhesive Revenue Stamps at the Treasury
for the period just closed amounted to \$42,088 00 against
\$55,766 00 for the period 1880-81, showing a loss of re-

venue from this source of \$13,678 00, as compared with
the former period.

The stamps remaining on hand in the Treasury were
counted and found to be correct. The sale of embossed
stamps at the Custom House for the late biennial period
was \$27,786 50 as against \$24,142 83 for 1880-81, which
shows a gain of \$3,643 67 and reduces the loss of revenue
from sales of stamps to \$10,034 33.

THE ACCOUNTS OF THE DEPARTMENT.

The books of the Finance Department have been well
and faithfully kept and reflect credit on the Registrar of
Public Accounts. An additional clerk has been asked
for in this department, and in view of the increased
labors of the Registrar your committee recommend that
an appropriation for that purpose be granted.

LOAN ACT OF 1882.

Section 3 of this Act which provides that all sums
borrowed shall be kept separate and not applied either
directly or indirectly, temporarily or otherwise, to any
uses or purposes other than those specified in the Act
seems to have been studiously ignored, as the money
realized from the sale of bonds has been paid directly
into the general fund, and disbursed at the will of minis-
ters without any reference to the provisions of the law.
The issue of bonds has also been irregular, as for instance
we find that bonds amounting to \$50,000 were signed
on the 1st of May, 1883, and sent to San Francisco in
hopes of finding a purchaser there, but no one being
found willing to buy, they were returned and are now
in the Treasury. As these bonds are endorsed "principal
and interest payable in San Francisco," your Committee
recommend that they be destroyed, and that entries to
that effect be made in the books of the department.

Another issue which also meets with our disapproval
was made on the 1st of May, 1883, when bonds to the
amount of \$55,000 were delivered to the Minister of the
Interior who used them as collateral security for sundry
liabilities incurred by that department. These bonds
were finally realized on the 12th of January, 1884, over
eight months after their issue from the Treasury. The
total sale of bonds under this Act to the date of our
examination has been \$891,000, add to this the sum of
\$138,900 realized from the Loan Act of 1876 which makes
an increase of the public debt under this ministry of
\$1,029,900, and entails a yearly payment of interest of
\$53,300.

Your Committee note with some surprise that com-
missions paid to tax-collectors and assessors for the last
year in certain districts have been raised to 4 per cent;
3 per cent. has always been considered a liberal commis-
sion for a district like Honolulu, which will strike the
House more forcibly when they know that the Assessor
for Honolulu received as compensation for his two month's
work the sum of \$4,819 50.

Notified of this change was not published as usual, but
the several Governors were notified of the fact on the
15th of January, 1884.

THE CUSTOM HOUSE.

The examination of the books of this important office
showed that the accounts had been well kept.

The revenue from this source has been large during
the period, and seems to have been faithfully accounted
for.

Two small items of expenditure attracted the atten-
tion of the Committee: one was a sum of \$75, paid Oct.
3rd, 1882, for 25 cases of kerosene oil short, and \$41,57,
Nov. 14th, 1882, for one bale of bags short. The Col-
lector-General stated that these payments were made
for articles delivered by mistake, or lost in some other
way. Such mistakes should not occur.

There was also an item of \$345 35 paid September 1st,
1883, for watching kerosene oil. It was explained that
the building of the new warehouse was so delayed that
large quantities of oil had to be stored in
an open lot near the old storehouse and men employed
to watch it.

The Collector-General notified the Minister of Finance,
Feb. 6th, 1883, of the need for the new storehouse.

The attention of the Collector-General was called to
the complaints that large quantities of opium were being
smuggled into the country, and that it was reported to
be cheaper in price than for many years; and he was
requested by the Committee to make such suggestions
as occurred to him in regard to the matter.

The following is the statement which he submitted
upon the subject:

"The only way to guard against opium-smuggling is
to increase the guards and night watchmen. A boat
should be manned for a night harbor watch. With this
in view, some \$2,000 more than was appropriated by
the last Legislature has been asked for this year.

"I think that the amount of opium in the Kingdom,
and the amount used is largely over-estimated, for these
reasons:

"During the past two years, 6,998 Chinese have arrived
and 2,001 have departed, leaving an increase of 4,997 for
the two years. These 6,998 Chinamen were nearly all
young, healthy men, who did not use opium, and
who have not to any extent taken to its use since their
arrival, while a very large proportion of the 2,000, who
left the kingdom, were opium users.

"The heads of the police say, there are not as many
places in this city to-day where opium is used, as there
were two years ago, therefore a much smaller quantity
would put the price down, and give the impression that
a great deal was here.

"As to price, there are several kinds of opium, and
while a brand put up in San Francisco might be selling
for ten dollars per half pound tin, the best Hongkong
brand would bring twenty to twenty-five dollars for the
same quantity.

"The plantations managers report that it is used on all
the plantations, and that they overlook it, so long as
the men do not use it in such quantities as to unfit
them for work.

"Now, when the Opium Law went into effect, the
managers did not overlook the using of opium, but were
on the lookout to catch those using it; and frequently
they had the Chinamen's quarters searched, so those
using opium did it so secretly that not a great deal
was found. Now it is used more openly, and naturally
the impression is, that a great deal more is used.

"Increasing the penalty for smuggling, or having
opium in possession, would no doubt deter some from
attempting to smuggle."

It would appear that there had been some neglect
in the matter of guarding against smuggling, for the Com-
mittee have ascertained that, for some months, no night
guards have been employed to watch the steamers of the
Oceanic Steamship Company while in port.

that he had asked for a larger appropriation for the next
biennial period. We recommend that the additional sum
asked for be granted, and that greater diligence be
exercised on the part of the Custom House officials of
the kingdom to prevent the unusual amount of smug-
gling that is being carried on.

INDEMNITY ACCOUNT.

On page 33 of the Finance Report will be found a list
of what are called "Indemnity Accounts" amounting to
\$209,069 74 a portion of which amount is for overdrawn
balances of sundry appropriations and is covered by a
Cabinet Resolution, dated Feb. 10th, 1884, which authorizes
unlimited expenditure for those purposes.

The amounts paid out for "Subsidy to Hawaiian Rail-
road," "Board of Genealogy," "Expense of Loan Act," and
"Interest on Loan Acts 1882 and 1876" are authorized
by special enactments and in our opinion require inden-
nification; the remainder are covered by Cabinet Reso-
lutions and require the closest scrutiny.

The amount paid to the representatives of D. Mac-
tash was in title to some lots on Kulaokahua
plains, which had been sold by the Government whose
title was defective.

\$2,351 94 was paid to the owners of the Steamer "C. R.
Bishop" for services rendered in proceeding to the
assistance of the disabled Steamer "Suez," \$2,070 10
"Interest on Special Loan" consists of two payments,
one made Dec. 31, 1883 to C. T. Gulick of \$530 10, being
interest at the rate of 12 per cent. per annum on \$18-
297 56, money which had been procured by him to tide
the Government over their financial difficulties. The
other payment of \$1,540 00 was made on the 31st of
March, 1884, to Messrs. W. G. Irwin & Co., who charged
9 per cent. for similar accommodation.

Indemnity to Judd and Kapena appears to have been
for advances made to these gentlemen by Messrs. W. G.
Irwin & Co., but for what purpose we are unable to state.

The sum of \$7,408 00 has been paid to C. O. Berger
for sundry soundings made in the channels by the
Steamer "W. H. Reed." This payment is covered by a
Cabinet Resolution of Feb'y 10th, 1884, but we can see
no legal authority for this disposition of funds.

A Resolution of the Cabinet Council of Feb'y 10, 1884,
authorizes a draft upon the Loan Fund

For Government Buildings and Hospitals	\$85,000 00
For Telephone and Telegraph	18,000 00

A proceeding without warrant of the Appropriation Act,
and an assumption of power resting only with the
Legislature, or in case of emergency as set forth in
Article 15 of the Constitution, with the Privy Council.
Under this unwarrantable appropriation the Ministry
caused to be drawn from the Treasury during the last
days of the period.

For Government Buildings and Hospitals	\$84,682 60
For Telephone and Telegraphs	7,408 00

And strange to say we find that the Auditor-General
passed upon these accounts, although in the terms of
Section 7 of Chapter 23, Session Laws of 1882, he was
bound to ascertain that the sum mentioned in the war-
rant of the Minister of Finance was not legally avail-
able for and applicable to the services mentioned in the
warrant. Moreover, the Auditor is commanded, that in
case he shall find that the sums in the warrant men-
tioned or any of them are not then legally available or
applicable to the services or purposes in the warrant set
forth, he shall return the said warrant to the Minister
of Finance for correction.

As the Loan Fund had been exhausted and the gen-
eral funds of the Treasury already drawn upon for some
\$300,000, your Committee cannot come to any other
conclusion than that the Ministry and Auditor-General
were acting in collusion for the expenditure of public
moneys in violation of the Constitution and Laws of
this Kingdom.

Your Committee further find that out of moneys thus
illegally drawn from the Treasury, there was deposited
with the Registrar of Public Accounts.

On the 31st of March, 1884, the sum of	\$14,248 00
And the unexpended balance of the appropriation for	
Police Court Buildings which had also been drawn	13,000 00
out, say	\$27,248 00

This money is being used by the Minister of Interior for
current expenses and the following payments had been
made from it up to the date of our examination:

To Geo. Lucas on account of Contract	\$ 7,063 63
To Hawaiian Agents on account of Contract	1,309 08
To Hawaiian Agents on account of Contract	2,250 00
To Pacific Bridge Co. on account of Contract	500 00
To G. W. Macfarlane & Co. on account of Contract	291 00
To G. W. Macfarlane & Co. on account of Contract	2,971 50

THE HAWAIIAN COINAGE.

By the Act of this Assembly, approved by the King,
August 17th, 1880, the Minister of Finance was author-
ized to purchase gold and silver bullion with any moneys
which may from time to time be in the Treasury, and to
cause to be coined therefrom gold and silver coins of
the value following, that is to say, gold coins of the
value of \$20, \$10, \$5, and \$2 50; and silver coins of
the value of \$1 00, 50 cents, 25 cents, and 12 1/2 cents.

And